GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department. - Sugars - Purchase Tax on sugar cane – Passing on the Purchase Tax amount of Rs.60/- per M.T. to the cane growers as Incentive for 2014-2015 crushing season - Orders – Issued.

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INDUSTRIES & COMMERCE (PROG.II) DEPARTMENT

G.O.RT.No. 13 Dated: 09-01-2016
Read the following:

1. G.O.Rt.No.68 Ind.&Com. (Sugar&IFR) Dept. dt. 07.03.2015.
2. From the Director of Sugar & Cane Commissioner, AP, Hyd. Letter No.C2/4057/2013, Dt. 06.2015.

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O R D E R:

For the current 2014-15 season, Government vide G.O.Rt.No.68, dt. 07.03.2015 of Industries and Commerce (Sugar & IFR) Dept. already ordered to pass on the entire Purchase Tax payable by cooperative sugar factories to the Government at the rate of Rs.60/- per M.T. uniformly to the sugarcane growers/ farmers/ suppliers as an Incentive, instead of paying to the Government.

2. The Director of Sugar, Government of A.P., in his letter 2nd read above has informed that the cane growers of the zone areas of private sugar factories are making representations requesting to pass on Purchase Tax amount of Rs.60/- per M.T. as an Incentive during 2014-15 crushing season. Government every year since 2001-2002 season is issuing orders for passing on the Purchase Tax amount as incentive to the cane growers. The financial involvement would be to a tune of Rs.30.30 crores (i.e. 50.51 lakh M.Ts. of cane x Rs.60/- per M.T.) and requested the Government to issue orders for passing on the entire Purchase Tax of Rs.60/- per MT by the sugar factories to the cane suppliers during 2014-2015 season as was done for the previous crushing seasons, as an incentive to the cane growers/suppliers in the state keeping in view the less FRP and the increase of prices of agricultural inputs and labour costs.

3. After careful examination of the proposal of the Director of Sugar, Government hereby order to pass on the Purchase Tax as an incentive to all the cane suppliers during 2014-15 season with the financial involvement of approximately Rs.30.30 crores (i.e. 50.51 lakh M.Ts. of cane x Rs.60/- per M.T).

4. The sugar factories concerned shall pass on the above Purchase Tax to the sugarcane growers/suppliers from the date of commencement of crushing operations of 2014-2015 season, in the interest of sugarcane growers, duly following the procedure, as was done in the previous seasons(Annexure).

5. The Director of Sugar, Government of A.P., shall take necessary further action in the matter, for implementing the above orders, without any deviation.

6. This order issues with the concurrence of Finance (FMU-REV-IC) Department vide this department e-file bearing C.No.8373/Prog.II.A2/2015 dated 6.1.2016.

(**BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

NARESH PENUMAKA
E.O. SECRETARY TO GOVERNMENT

To
The Director of Sugar & Cane Commissioner, A.P., Hyderabad.
All the Sugar Factories in the State through the DoS&CC, A.P.,Hyderabad.
The Secretary to Govt. of India, Ministry of Consumer Affairs, Food & Public Distribution, Dept. of Food & Public Distribution, Krishi Bhavan, New Delhi.

Copy to:

The Accountant General, AP, Hyderabad.
The Director, Treasury Accounts, AP, Hyderabad.
The Prl. Secretary to Govt., Finance (R&E) Dept., A.P., Hyderabad.
The Prl. Secretary to Govt., Public Enterprises Dept. A.P., Hyderabad.
The Finance (FMU I&C) Department.
The P.S to Secretary to C.M.
The P.S. to E.O. Secretary to Govt.(Sugar)
Sc/Sf

//FORWARDED:: BY ORDER//

SECTION OFFICER.

ANNEXURE

[TO G.O.Rt.No.13,Dt:09-01-2016,INDUSTRIES & COMMERCE (PROG.II) DEPARTMENT]
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1. The Purchase Tax Incentive on Cane Price of Rs.60/- per M.T. by the sugar factories payable to the cane suppliers shall be adjusted against the Purchase Tax for the cane purchased by them and payable to the Government, for which the following procedure shall be adopted.

2. As per the Sugarcane Pricing Policy in respect of crushing season 2014-15, the occupier of sugar factories should pay to the cane suppliers the purchase tax incentive price at the rate of Rs.60/- per M.T. and obtain the signature of the cane suppliers for the value of the cane supplied. The Sugar Factories paying the incentive of Rs.60/- per M.T. to the cane suppliers through the Banks should submit a certificate of payments issued by the concerned Banks.

3. Immediately after the payment is made and at the end of each crushing season the sugar factories shall prefer a bill for adjustment of the incentive price paid at Rs.60/- to the cane suppliers to the Director of Sugar and Cane Commissioner, Government of Andhra Pradesh, Hyderabad **or** his/her nominee to whom the powers are delegated by him/her. Along with the bill, the list of cane suppliers to whom the incentive price paid and the amount paid to them, duly certified and counter signed by the managements of the sugar factories shall be enclosed.

4. After receipt of the Bills as mentioned above from the sugar factories, the Director of Sugar shall send a proposal to the Government to release funds / Budget Release order, and BRO will be issued by Finance Department from the budget provision, if necessary additional funds over and above budget provision towards reimbursement of Purchase Tax.

5. After receipt of BRO / Administrative Sanction, the Director of Sugar & Cane Commissioner of Andhra Pradesh, Hyderabad shall prefer an adjustment bill with the Treasury duly indicating the Debit Head of Account “2852 – 08 – MH -201 SUGAR – SH (08) ASSISTANCE TO COOPERATIVE SUGAR FACTORIES TOWARDS REIMBURSEMENT OF PURCHASE TAX INCENTIVES – 310/312 OTHER GRANTS IN AID” and Credit Head of Account ie., “0045 - OTHER TAXES AND DUTIES OF COMMODITIES AND SERVICES - 114 - RECEIPTS UNDER SUGARCANE (REGULATION OF SUPPLY AND PURCHASE) ACT, 1961 (01) – TAX COLLECTION' PURCHASE TAX ON SUGARCANE' for adjustment of the amounts towards Purchase Tax.

6. The Director of Sugar and Cane Commissioner shall obtain supplementary grant during the respective financial year for the amount actually adjusted over and above the budget provision.

7. The Incentive Cane Price of Rs.60/- to the cane suppliers shall be paid by the sugar factories within 14 days from the date of purchase/supply of cane, failing which interest shall be charged on purchase tax incentive due amount, as per the Act and Rules in force and the interest portion shall be passed on to the respective cane suppliers.

NARESH PENUMAKA
E.O. SECRETARY TO GOVERNMENT